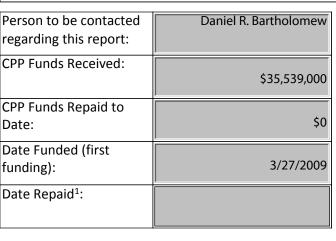
ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

	Capital				
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	Capital	COL	JUIG	LIOII	



DCCD.	
RSSD:	1056161
(For Bank Holding Companies)	1030101
Holding Company Docket Number:	
(For Thrift Holding Companies)	
FDIC Certificate Number:	
(For Depository Institutions)	18799
City:	
	Los Alamos
State:	
	New Mexico

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

 than otherwise would have occurred.	were able to achieve more favorable loan concentration ratios without greatly reducing our loan production.



	To the extent the funds supported	
	increased lending, please describe the	
	major type of loans, if possible	
	(residential mortgage loans, commercial	
	mortgage loans, small business loans,	
	etc.).	
	etc.).	
X	Increase securities purchased (ABS, MBS,	We had a total MBS portfolio of \$7.3 million before the acquisition of the CPP funds; after twelve
	etc.).	months we increased to \$37.7 million.
_	Make other investments	
	wake other investments	
	Increase reserves for non-performing	Before the acquisition of the CPP funds, we had a total of \$18.0 million in reserves. After twelve
	assets	months, the balance was \$24.8 million.

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	Reduce borrowings	
	Increase charge-offs	
	Purchase another financial institution or	
	purchase assets from another financial	
	institution	
	institution	
X	Held as non-leveraged increase to total	The full amount of the CPP received (\$35.5 million) was injected into the bank as capital. Total
	capital	capital before the acquisition was \$124.2 million. After twelve months, total capital was \$152.5
	·	million.

What actions were you able to avoid because of the capital infusion of CPP funds?				
Though not required to keep our institution "Well-Capitalized", having the CPP funds helped us avoid more unfavorable capital ratios. Without CPP				
funds, the cost of additional capital would have been much higher, resulting in a decline in net income available to common shareholders.				

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?			
See above for details on how fur capital ratios. In addition, though lending in order to improve our	ds were usedwe were able to increase our MBS portfolio, increase our reserve for loan losses and improve our h loan demand remained sluggish, as a result of receiving the CPP funds we were able to avoid reducing our loan concentrations		
lending in order to improve our	oan concentrations.		

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.			

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.